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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 002662

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TAGS: PGOV PREL PHUM ECON EINV IZ
SUBJECT: ELECTION AND INVESTMENT LAWS

SUBJECT: ELECTION AND INVESTMENT LAWS WEIGH HEAVILY ON PM'S

MIND

REF: BAGHDAD 2658

Classified By: Ambassador Christopher R. Hill for reasons 1.4. (b) and (d).

11. (C) SUMMARY: Prime Minister Maliki focused on passage of the election law and an amendment to the investment law in an October 1 meeting with Ambassador and Deputy Commanding General (DCG) Hunzeker. The PM noted that disputes over the distribution of parliamentary seats in Kirkuk still posed a threat to the passage of a new election law before the October 15 deadline, but said he was more optimistic about the possibility of having an amended investment law in hand before the U.S.-Iraq Investment Conference in late October. He agreed that UNAMI would be a useful partner in the resolution of the standoff with Mujahideen al-Khalq (MEK) and asked the U.S. to consider resettling a small number of MEK members. END SUMMARY.

KIRKUK STILL AN OBSTACLE TO ELECTION LAW

- 12. (C) Prime Minister Maliki was concerned that parliament was unwilling to tackle the election law authorizing the 2010 parliamentary elections prior to the October 15 deadline set by the Independent High Electoral Commission (IHEC), commenting to the Ambassador that the issue of parliamentary representation in Kirkuk still divided deputies (reftel). (NOTE: PM's advisor Sadiq Rikabi told POL M/C September 29 that Maliki was hopeful that a resolution was possible after conferring with Kirkuk Arab representatives earlier that same day, but believed that this will not be settled in time to be incorporated into the election law. END NOTE.)
- 13. (C) The PM told the Ambassador that he was pushing the Speaker and Deputy Speakers to ensure that draft legislation moves to the procedural first step of a first reading soon. Maliki emphasized that a credible, on-time election will be a key step in Iraq's democratic process and that a delay in the election would be unacceptable. The Ambassador concurred and assured Maliki that supporting this election was a top priority for the United States. He told the PM that his team would continue to encourage Council of Representatives (COR) members to resolve lingering disagreements and vote in support of an election law prior to the deadline.

U.S.-IRAQ INVESTMENT CONFERENCE

14. (C) The Ambassador briefed Maliki on his meetings with U.S. companies in September, highlighting their enthusiasm about opportunities in Iraq and the impressive number of firms that have already registered to attend the bilateral investment conference in Washington on October 21. Maliki commented that Iraq will be a more attractive prospect if the COR passes a key amendment to Investment Law prior to the conference, and told the Ambassador that he is optimistic about the possibility that this will happen. He added that he

was still working on the final delegation list but said that he intended to lead the GOI team if the legislation was approved. (NOTE: Deputy Speaker Attiyah told POL M/C September 30 that this bill will be put to a vote on October 13. A bomb threat in the COR building caused the October 3 session to be postponed to October 4. END NOTE.)

15. (C) PM asked Ambassador whether General Electric (GE) would attend the conference, now that the GOI was up to date in its payments for electric turbines. The Ambassador noted that GE had just sent a letter to the PM that confirmed GE's intention to attend and to accelerate the implementation of the turbine project in Iraq. Qthe turbine project in Iraq.

MEK: BRINGING UNAMI INTO THE PROCESS

16. (C) The Ambassador briefed Maliki on his recent discussions with UNAMI regarding the resolution of the Mujahideen al-Khalq (MEK) standoff with the GOI. UNAMI is prepared to help the GOI in its negotiations with the MEK. DCG emphasized that U.S. forces will help with transportation and other logistics to allow UNAMI to carry out this mission. The PM thanked the Ambassador and DCG for encouraging the UN to take on this intermediary role, acknowledging the importance of a credible international partner to provide oversight. He stressed that the GOI and Iraqis are frustrated with the MEK and want them out of the country, but assured the Ambassador that he would proceed with caution and allow the MEK to be relocated and deported in a dignified and peaceful manner. Maliki told the Ambassador that he would not forcibly return MEK members injured in the previous raid

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on Ashraf back to the camp. Maliki asked that the U.S. consider accepting a number of MEK members and take on some of the expense of their care and relocation, in order to facilitate a resolution.

17. (C) DCG asked about the status of 36 MEK members who had reportedly started a hunger strike. PM vowed to look into this; however, he stated that "martyrdom" was a personal choice and it may not be possible to save MEK members who are committed to "killing themselves as a form of protest."

IRAQ-SYRIA: APPOINTMENT OF A UN ENVOY

18. (C) Ambassador Hill related that, as the Secretary said in meetings with Iraqi officials in New York, we continue to work with the UN to find an appropriate envoy to investigate the August 19 bombings. He added that we share Iraq's concerns about naming UN SRSG Melkert. Maliki observed that the GOI did not intend to disparage Melkert; he assured Ambassador that he had full faith in the SRSG to execute his mission, as defined by Resolution 1770, but believed that the issue of regional interference in Iraq's affairs required a dedicated individual. The SRSG, he emphasized, already has a full load of important duties and should not be "burdened" with this external matter.

UK-IRAQ SECURITY AGREEMENT

19. (C) The Ambassador pressed PM Maliki about passing the UK Security Agreement in the COR, highlighting the importance of keeping the British engaged and noting that Britain continues to try to be helpful to Iraq in the UN Security Council. Maliki said that this agreement faced substantial opposition from a vocal minority in parliament, including but not limited to the Sadrist Trend, who could prevent a vote. He commented that many Iraqis still bear a grudge against the UK as "a former colonizer," and politicians fear public disapproval of a new, visible British military mission in Iraq. He added that he would try to rally support for

discussion of the UK Security Agreement but was not optimistic. $\ensuremath{\mathtt{HILL}}$